

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF NEBO WATER DISTRICT)	
OF HOPKINS COUNTY, KENTUCKY, FOR ORDER)	
APPROVING CONSTRUCTION FINANCING,)	CASE NO. 91-352
CERTIFICATE OF PUBLIC CONVENIENCE AND)	
NECESSITY, AND INCREASED RATES)	

O R D E R

On September 27, 1991, Nebo Water District ("Nebo Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$382,800 waterworks improvement project, for approval of its plan of financing for this project, and for adjustments to its water service rates. This project will provide service to 82 additional customers. Project funding includes a \$350,000 loan from the Farmers Home Administration ("FmHA"), and \$32,800 from applicants for service in the proposed project area. The loan will be for a 40-year period at an interest rate of 5 percent per annum.

Nebo Water's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water districts and FmHA and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on September 27, 1991, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Nebo Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Nebo Water's proposed plan of financing with FmHA is accepted.

3. Nebo Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

4. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

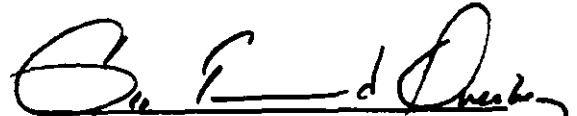
5. Nebo Water shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.


6. Nebo Water shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 6(1), Nebo Water shall take immediate action to bring the system into compliance with Commission regulations.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 25th day of October, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 91-352 DATED 10/25/91

The following rates and charges are prescribed for the customers in the area served by Nebo Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Rates: Monthly

First 2,000 gallons	\$10.00 Minimum Bill
Next 2,000 gallons	4.50 per 1,000 gallons
Next 6,000 gallons	3.50 per 1,000 gallons
Next 10,000 gallons	3.00 per 1,000 gallons
Over 20,000 gallons	2.50 per 1,000 gallons

MINIMUM BILLS

<u>METER SIZE</u>	<u>MINIMUM USAGE</u>	<u>MINIMUM BILL</u>
5/8 Inch x 3/4 Inch	2,000 gallons	\$ 10.00
1 Inch	4,000 gallons	19.00
1 1/2 Inch	10,000 gallons	40.00
2 Inch	20,000 gallons	70.00
3 Inch	30,000 gallons	95.00